



ARMY ACQUISITION REFORM



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Successful Price Challenges Lead to Savings

A Logistics Specialist, Mr. Thomas Hedrick, US Army TMDE Activity, AMCOM, initiated a successful price challenge to a Defense Logistics Agency (DLA) managed circuit card assembly that goes on two different Radio Test Sets. The 1998 Army Master Data File (AMDF) price for the circuit card assembly was \$2,668. Mr. Hedrick learned that the circuit card assembly could be purchased directly from the manufacturer for \$374. Following DLA analysis of the price discrepancy, DLA lowered the AMDF price to \$533.00, an 80 percent reduction, which, assuming five requisitions over a 10-year life cycle, results in a savings of over \$100,000.

Another price challenge initiated by Mr. Steve Kilde, a TACOM LAR at Fort Riley, to a DLA managed pump that goes on the M1000 HET Trailer, resulted in a 75 percent reduction to the AMDF price. The 1998 AMDF price was \$823.09. Mr. Kilde learned that units at Fort Riley were local purchasing the same pump from a vendor in Kansas City for \$123.64. Following analysis, DLA lowered the AMDF price to \$199.54. Additionally, DLA is pursuing a refund from their vendor and added the Kansas City vendor to the source list.

Long Term Contract for Track Shoes

TACOM-Warren awarded a five year Requirements contract for Track Shoes covering all combat vehicles to Goodyear with an estimated value of \$208M. The contract consists of three years of basic requirements with two additional option years. The contract is restricted up to \$264,000 shoes per year to Goodyear for mobilization purposes and allows competition for the balance of requirements. TACOM achieved a 5% price reduction and saved six months of administrative lead time through the use of ALPHA Contracting.

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Questions? Contact LTC Hooks, (703) 681-9479, hooksl@sarda.army.mil